

VZCZCXRO3248
OO RUEHLH RUEHPW
DE RUEHIL #1254/01 1591533
ZNR UUUUU ZZH
O 081533Z JUN 09
FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3135
INFO RUEHBUL/AMEMBASSY KABUL PRIORITY 0454
RUEHLO/AMEMBASSY LONDON PRIORITY 0594
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 5055
RUEHKP/AMCONSUL KARACHI PRIORITY 1799
RUEHLH/AMCONSUL LAHORE PRIORITY 7401
RUEHPW/AMCONSUL PESHAWAR PRIORITY 6344
RUEAIIA/CIA WASHINGTON DC PRIORITY
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY
RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 9580
RUEHGV/USMISSION GENEVA PRIORITY 4023

UNCLAS SECTION 01 OF 03 ISLAMABAD 001254

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [EAID](#) [PGOV](#) [PINR](#) [PK](#) [PREF](#) [PREL](#) [PTER](#)

SUBJECT: NWFP OFFICIALS PLANNING FOR RECONSTRUCTION OF SWAT

11. (SBU) Summary. Northwest Frontier Province Chief Secretary Javed Iqbal and Chief Economist Shakeel Qadir told DCM and AID Mission Director that they are already planning for the reconstruction of Swat and the greater Malakand division, once hostilities end. Their concept includes an early recovery phase of about six months, in which basic services would be restored and critical repairs to buildings and infrastructure would be made. The longer term reconstruction program would rebuild infrastructure, reorganize the civil administration to make it more responsive, and support economic development and growth. On security, the NWFP government will rely on the army to retain some presence in Swat and Buner while the police force is reconstituted and additional police recruited and trained. DCM suggested the NWFP plan, once it is validated by the Asian Development Bank and World Bank, could be presented to the Friends of Democratic Pakistan ministers in September as a roadmap for international donor participation in the reconstruction effort. End Summary.

PLANNING FOR REHABILITATION AND RECONSTRUCTION

12. (SBU) Northwest Frontier Province (NWFP) Chief Secretary Javed Iqbal and Chief Economist Shakeel Qadir met DCM and AID Mission Director and team June 6 to discuss planning for reconstruction of Swat and the greater Malakand division, once hostilities end. The NWFP Government is serious about taking the lead, rather than waiting for federal level officials, and has already begun putting together damage assessments. They have good data on public sector infrastructure that was damaged or destroyed prior to March 20, because of consistent reporting by District Commission Offices and other Provincial officials, and they have a full update for the Buner area. They still need to get back into conflict areas in Swat once the fighting ends to update on additional needs caused by operations there since the end of March. They do not have good visibility on damage to the private sector, including homes, small businesses, etc.

13. (SBU) Both officials emphasized their intention to have reliable international institutions like the Asian Development Bank (ADB) and World Bank (WB) validate their damage estimates, either through a separate assessment, or by taking what the NWFP had done as a baseline and confirming that. They (and we) have been told that ADB plans to conduct its own assessment, and ADB is already organizing training sessions on how to do damage surveys and asking for focal points in the NWFP government.

14. (SBU) Chief Economist Qadir said the rebuilding plan will consist of two phases: early recovery and full reconstruction. The early recovery phase should last about six months and will feature quick repair of government buildings (offices, schools, hospitals, etc) and infrastructure (temporary bridges, road repair), as well as restoration of basic services (power and water, as well as basic governance). They already have action plans for all the sectors, and Qadir thought the Province would be able to fund most of these fixes. The reconstruction phase is a longer-term undertaking which contemplates complete rebuilding of structures damaged beyond repair, new roads and bridges, rejuvenation of economic activity, renovation of private homes and businesses that were destroyed, and some new activities (like dams that could serve as new sources of electricity as well as revenue, an improved tourism industry, and cottage industries like ceramics and gemstones). For this phase, the province will definitely need federal, and probably international, assistance.

15. (SBU) DCM agreed that early recovery activities needed to begin immediately. For the longer term reconstruction needs, he suggested that the Friends of Democratic Pakistan (FODP) group could serve as a forum for presentation of a comprehensive plan and a structured response by international donors. The Chief Secretary was amenable to presenting the Province's program to the Islamabad-based representatives of FODP, with the possibility of putting this in front of the FODP Ministers in September.

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16. (SBU) Separately, on June 8, DCM met with members of the FODP group, who agreed to use the group to support reconstruction in the Malakand division. There will be a meeting soon to include the FODP group, NWFP officials, and the GoP's lead on IDPs, General Nadeem.

POSSIBLE REORGANIZATION OF CIVIL ADMINISTRATION STRUCTURES

17. (SBU) The Chief Secretary noted that civilian and military officials had met the day before (June 5) to discuss not only how to respond in immediate terms to the crisis of internally displaced persons (IDPs), but also how to restructure the civil administration in Malakand division to better meet the needs of the people at the local level. The present system was too centralized, and was neither accessible enough nor flexible enough to garner the full support of the population.

He acknowledged, for example, that the local government's failure to deliver speedy justice was a problem that led to the expansion of the militants' influence over the past months. The reorganization would include breaking Swat into seven subdivisions instead of the current two, expanding the number of police stations to 36 from the current nine, and several other revisions to Article 247 of the Constitution ("Administration of Tribal Areas"), which he promised to detail at a later briefing. When asked whether he expected opposition to this reorganization, the Chief Secretary said that if the new structures could quickly deliver what people wanted, he doubted if even an activist judiciary would be motivated to overturn the changes.

A SOLUTION FOR LAW ENFORCEMENT

18. (SBU) Chief Secretary Iqbal agreed that providing security was essential if reconstruction was to be successful. He acknowledged serious shortfalls in both the number and capabilities of the police force. He said he had an agreement from General Kiyani (who attended the June 5 meeting) to keep the military in Swat for between 12-24 months. In some areas, they would be visibly present, and in others, in the background. But their presence should be enough to keep militants from returning, and would give the

civilian administration time to rebuild the police force. Iqbal said he envisioned every one of the 27 new police stations in Swat being staffed by 100 police officers; to do that, the Province would have to recruit and train about 2500 new officers. Iqbal argued against a short-circuited training program, and advocated a full and thorough training regime to get it right from the beginning. In the meantime, the Province might be able to bring some police from a number of other districts to fill the gap. Iqbal noted that an expansion of the police force would require additional funding from the federal budget for salaries and benefits.

AGGRESSIVE TIMETABLE FOR IDP RETURNS

¶9. (SBU) Both NWFP officials said they were planning to begin encouraging IDPs to return to Swat and Buner as the security situation improved. They thought they could return up to 300,000 people to Mingora (Swat's main city) by June 20, and another tranche by the end of the month. They fully understood that the government offer of 25,000 rupees (about \$315) per family needed to be honored or people would refuse to return home. They asserted that funding is available and they were optimistic that NADRA would be ready to begin disbursing the funds the week of June 8.

¶10. (SBU) Comment. The NWFP government appears to be better organized and is doing more thorough planning than any other GoP entity. We plan to vigorously support their efforts by offering additional planning resources, aligning some of our reconstruction funding along their programmatic lines, and helping facilitate the provision of additional resources from the international donor community through the Friends of Democratic Pakistan and other groups. Although Ambassador Holbrooke heard a similar assertion from Minister of State for Economy Hina Rabbani Khar on June 5, we are not

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convinced that the household payments to IDPs can begin on June 8, as NADRA has not yet developed a comprehensive list of recipients. End Comment.
PATTERSON